

TESTIMONY OF

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CLARK CONSTRUCTION GROUP, LLC

BEFORE THE

COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE
SUBCOMMITTEE ON ECONOMIC DEVELOPMENT, PUBLIC BUILDINGS AND
EMERGENCY MANAGEMENT

HEARING ENTITLED:
RECOVERY TRACKING HEARING #3:
FOLLOWING THE DOLLARS TO THE JOBS

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Chairwoman Norton, Ranking Member Diaz-Balart, Members of the Subcommittee, my name is John O'Keefe and I am the Division President for the Public Division in the Mid-Atlantic Region for Clark Construction Group, LLC.

Founded in 1906, Clark Construction Group, LLC is today one of the nation's most experienced and respected providers of construction services, with over \$4.5 billion in annual revenue and major projects throughout the United States. In 2008, we ranked fourteenth in the United States on the Engineering News Record Top 400 list.

We perform a full range of construction services throughout the United States from small interior renovations to some of the most visible architectural landmarks in the country. Projects we are known for in the Washington area include the Verizon Center, U.S. Department of Transportation Headquarters, and the Largo Metro Station. Nationally, completed projects include McCormick Place Convention Center in Chicago, the Los Angeles County/University of Southern California Hospital in Los Angeles, and Brooke Army Medical Center in San Antonio, Texas. The foundation of all of our construction work is a solid relationship with both public and private clients who have the confidence to rely, time and again, on our experience, and in-house expertise to make their vision a reality and a commitment to the communities where we work.

We approach each project with a cooperative mindset, working with clients, architects, subcontractors and the community toward the common goal - successful project delivery. Our diverse construction portfolio and specialized divisions and subsidiaries ensure that each project

is matched with appropriate resources and expertise. Through technical skill, pre-construction know-how and self-performance capability, we anticipate project challenges, develop solutions that meet clients' objectives and ultimately deliver award-winning projects. In this way, our work today continues to meet the stringent standards of safety, quality and integrity, which have been the Company's core values since its founding in 1906.

Here in the Washington area, our home, Clark is committed to working with the community with demonstrated success in creating opportunities for small businesses. For over three years and at our own initiative, Clark developed an intensive 10-month training program - the "Small Business Strategic Partnership Program" to support the subcontracting plan for projects in the DC region. This comprehensive 10-month program supplements other Clark initiatives to build capacity in the Small Business community and to enhance Small Business participation on construction projects throughout our region.

I also would like to take just a moment to mention that last year we testified before the Committee on Oversight and Government Reform, Subcommittee on Federal Workforce, Postal Service and the District of Columbia on our eight year plus program to hire ex-offenders, primarily in Highway & Bridge construction through Shirley Contracting Company, a Clark subsidiary. This successful program provides well paying jobs with benefits and training opportunities to ex-offenders within our company, many of whom have now been employed with us beyond three years and in at least one case is a supervisor.

Today, I am pleased to respond to the Subcommittee's request that Clark address the use of stimulus funds provided by the American Recovery and Reinvestment Act of 2009 (ARRA). Among the breath of federal agency projects receiving ARRA funding, Clark has identified approximately 42 proposed projects nationwide with an estimated contract value in excess of \$5 billion. Of these, six projects worth an estimated \$800 million are in the National Capital Region.

To date, we have been awarded four projects which included ARRA funding. Three of these projects are in the National Capital area: Air National Guard Readiness Center - Area D at Andrews Air Force Base, Maryland; Emergency Repairs for Settlement at the Jefferson Memorial Seawall, Washington, DC; and, construction of the new U.S. Coast Guard Headquarters Building at St. Elizabeths, Washington, DC.

The Air National Guard Readiness Center – Area D at Andrews Air Force Base was awarded on July 30 of this year and allowed for additional work to continue under an existing IDIQ contract. While completing needed improvements, this project has and will continue to allow for six Clark employees and about 25 construction workers to remain on the job daily over the entire 10 to 11 month project duration. Because different construction trades are needed at different times during this or any construction project, the stimulus funds will keep employed approximately 150 construction workers that might not otherwise be working.

Emergency Repairs for Settlement at the Jefferson Memorial Seawall was awarded on September 11. We expect work to begin next month and that the project will take about 14 months to

complete. In month one, we anticipate five employees on site, expanding to 15 by month two and 30 by month three. This effort should employ about 40 people at its peak in six to seven months. From our perspective, these are all new construction jobs.

The largest of our stimulus funded projects here in the national capital region is the U.S. Coast Guard Headquarters at St. Elisabeths. We are pleased that the U.S. General Services Administration (GSA) selected Clark to lead the design and construction of the Coast Guard Headquarters, a 1.2 million square-foot facility to be constructed on the west campus of the former St. Elizabeth's hospital site in the city's Anacostia neighborhood. This project is the first phase of the Department of Homeland Security's consolidation and relocation to southeast Washington, DC.

The new U.S. Coast Guard Headquarters campus will feature an 11-story office building for 3,860 employees, a separate central utility plant, and two seven-story parking garages. In addition to core and shell construction, Clark will complete the headquarters building's interior fit-out, including audio/visual and telecommunications systems, and security features.

There is a 120-foot change in elevation on the project site and the headquarters building's design takes advantage of the natural topography. Below an entry courtyard at the site's highest location, the building consists of linked, cascading quadrangles, clad in brick, stone, glass, and metal panels constructed into the hillside. The building's wings, with a red brick skin, further break down the scale of the massive facility, as well as allow for greater penetration of natural daylight to internal areas.

The Coast Guard Headquarters building is designed with its major axis running east/west to minimize solar heat gain and maximize the opportunity for daylight harvesting. The building will feature an approximate 400,000 square-foot green roof and a vegetative wall panel system in the courtyard. High-efficiency mechanical and electrical systems will be installed, and the project team will incorporate many regional and low-emitting building materials into the new facility. Additionally, the construction of wet ponds, bioswales, step pools, and a signature water feature at the site's lowest elevation will assist with stormwater management.

The U.S. Coast Guard Headquarters project at St. Elizabeths is being designed for LEED® Silver certification. Engineering News Record ranks Clark as one of its top four Green Builders in 2008. We built the world's first LEED Platinum building, the Phillip Merrill Environmental Center as well as the country's first LEED certified professional sports stadium. Clark is committed to building a sustainable future.

Before I discuss the jobs created for the U.S. Coast Guard Headquarters project at St. Elizabeths, I want to take just a moment to mention two of the efforts we will undertake in close coordination with GSA to encourage and expand employment opportunities in the community. During mobilization to the job site, Clark will be placing an employment opportunity trailer at the project site. This job site trailer, run by GSA, will be a key resource to the community providing real time job listing of available jobs on site, not just for Clark, but all the subcontractors as well. Additionally, Clark will update GSA with timely, accurate Bid Schedules such that any business, including those in the surrounding communities, can see what

work is upcoming and decide if they want to bid on that work. Clark will also work to integrate graduates of the Pre-apprenticeship program, a 10 week program run by the Community Services Agency that trains prospective employees from the surrounding communities on the skills needed to qualify for an apprenticeship job. On this project, for every four journeyman jobs, there will be approximately one apprenticeship job opportunity, adding up to hundreds of apprenticeship jobs.

We continue to support GSA's and the National Capital Planning Commission's efforts to ensure that all issues related to this historic property and project are addressed and that construction work can begin as expediently as possible. We have received excavation bids and are currently reviewing them. Design work is now progressing.

Once work begins, which we expect to occur right after the New Year, about 50 new jobs will be created on site in the first month. In addition, hundreds of dump truck operators will be employed to move 1.3 million cubic yards of rock and dirt. By month two, about 100 individuals will be employed directly on site. The number of jobs created rapidly increases as the project continues, peaking at about 1,000 direct construction workers on site sometime during the second year of this three year construction project.

It should be noted that we can only project direct jobs the Coast Guard Headquarters will add to the economy. I am not an economist and I cannot tell you how many additional jobs might be saved or created due to the manufacturing, assembling, packaging, and shipping of concrete, steel, wire, piping, building materials, roofing, and other numerous construction components that

are made here in the USA and will be incorporated into this project. However, I am here to tell you that the number must be much, much larger than the estimated 1,500 plus direct construction jobs.

Stimulus or not, construction jobs help fuel the American economy, creating good paying jobs and creating demand for American goods and materials.

On behalf of Clark Construction Group, LLC, I want to thank you for the opportunity to testify today and I will be happy to answer any questions you may have.